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Act on cooperation in Finnish and Community-scale groups of undertakings

In accordance with a decision of Parliament, it is hereby decreed:

Chapter 1

General provisions

1 §

Purpose of the law

This Act lays down procedures for cooperation between management and employees of both Finnish and Community-scale groups of undertakings and the undertakings belonging to them to ensure an exchange of views and dialogue between employees' representatives and the relevant management.

The aim of the law is to improve workers' rights to be informed and consulted on the activities of undertakings and groups of undertakings and their prospects, and in particular on matters on which decisions affect the position of workers and their employment in the group or undertaking. The law also aims to promote interaction between employees in undertakings and groups of undertakings.

2 §

Scope

The provisions of Chapters 1, 2, 4 and 5 of this Act shall apply to a Finnish group of undertakings within the meaning of section 7 and to an undertaking whose activities consist of administratively independent operating units.

The provisions of Chapters 1 and 3 to 5 of this Act shall apply to a Community-scale group of undertakings within the meaning of Article 13 and to a Community-scale undertaking.

3 §

Other legislation on employee participation rights

The organisation of employee representation in an SE and SCE is governed by the Act on employee representation in an SE and SCE ([758/2004](#)).

The right of employees to participate in the management of companies is regulated by the Act ([725/1990](#)) on employee representation in company management.

Notwithstanding the provisions of this Act, cooperation between a Finnish undertaking and its personnel must comply with the provisions of the Act on Cooperation in Enterprises ([334/2007](#)).

4 §

Group of companies and controlling company

For the purposes of this Act, a group of undertakings is defined as a group comprising the controlling undertaking and its controlled undertakings.

A dominant undertaking is an undertaking which exercises a dominant influence over another undertaking by virtue of its ownership of it, its financial participation therein, its statutes or bylaws, or by any other similar means.

Unless it is proved otherwise, an undertaking is deemed to exercise control over another undertaking:

- 1) when it can directly or indirectly appoint more than half of the members of the board of directors or equivalent body of an undertaking;
- 2) when it holds a majority of the voting rights attached to shares or interests in the company; or
- 3) when it directly or indirectly owns more than half of the shares in the company.

Where two or more undertakings in a group of undertakings can be regarded as controlling, control shall be exercised primarily by the undertaking referred to in paragraph 3(1) and secondarily by the undertaking referred to in paragraph 2, unless it is established that one of the undertakings otherwise exercises control.

The law applicable to the determination of control within a Community-scale group or undertaking is laid down in Article 16.

5 §

Calculating the number of employees

In a Finnish group of enterprises and in an enterprise, the number of employees referred to in sections 7 and 13, including part-time and fixed-term employees, shall be calculated as the average number of employees in the enterprise over the last two years.

6 §

Opinion of the Labour Council

The Labour Council issues opinions on whether a group of undertakings or an undertaking should be considered as one to which this Act applies, as provided for in the Act on the Labour Council and the Labour Protection Exemptions ([400/2004](#)).

Chapter 2

Cooperation in a Finnish group of companies

7 §

Group of companies and company

The provisions of this chapter apply to a Finnish group of companies with a total of at least 500 employees in Finland. The provisions shall apply to those Finnish undertakings in the group of undertakings which have at least 20 employees.

Where a group of undertakings comprises one or more groups of undertakings, the provisions of this Chapter shall apply only to the highest group of undertakings, unless the management and the employees' representatives of the latter agree otherwise on the organisation of the joint activities.

The provisions of this Chapter shall also apply to a Finnish undertaking whose activities consist of administratively independent operating units located in different places in Finland, provided that the number of employees referred to in paragraph 1 is met. The provisions on group undertakings shall apply to an administratively autonomous operating unit.

Where the activities of an undertaking or an operating unit of an undertaking forming part of a group of undertakings are not closely linked to the production or service activities of the group or of the undertaking and the activities of that undertaking or operating unit are not significant in relation to the position of the group or of the employees of the undertaking, such an undertaking may be excluded from the scope of cooperation provided for in this Chapter.

8 §

Agreement on cooperation

Notwithstanding §§ 9-12, the management of a group of undertakings or an undertaking and the employees' representatives may agree on the content and procedures of collective agreements and on the number and distribution of employees' representatives by categories of employees.

Each group or category of employees in a group or undertaking has the right to elect one representative from among its members to the employees' negotiating body. Before the election of representatives, the categories of employees may agree among themselves to elect up to three additional members to the employees' negotiating body. At the same time, it shall be agreed which staff groups are entitled to elect additional members.

The cooperation agreement must be made in writing. The agreement may be of limited or unlimited duration. An agreement of indefinite duration may be terminated by the management of the group or undertaking and by the representative of each category of staff designated for the purposes of contractual cooperation. If a group of employees has more than one representative, they must agree to terminate the agreement. The right of the representatives of the categories of staff to terminate this agreement may be limited by the cooperation agreement. The period of notice shall be eight months, unless otherwise agreed.

When the agreement on cooperation ceases to be in force, the provisions of Articles 9 to 12 shall apply.

9 §

Secondary provisions on cooperation within a group of undertakings and an undertaking

In a group of undertakings and in an undertaking in which no agreement on cooperation between management and employees has been concluded, the provisions of Articles 10 to 12 shall apply. However, a group or undertaking may conclude a collective agreement at any time, notwithstanding the provisions of Articles 10 to 12.

However, in a group of undertakings or in an undertaking which, following an increase in the number of employees, meets the conditions for application laid down in section 7, the secondary provisions shall not apply until 12 months after the start of the collective bargaining referred to in section 8, but not later than 24 months after the conditions for application of the Act have been met, unless collective action has been agreed before then.

10 §

Employee representatives

The employees of each Finnish company in the group have the right to elect one representative from among their number to represent the group's management and employees. Employee representatives must be chosen in such a way that all categories of employees in the group have at least one representative.

11 §

Issues to be informed and dealt with in the cooperation procedure

Representatives of employees of the group's companies operating in Finland must be given:

- 1) a consolidated statement of the group's financial position and consolidated financial statements for each financial year or, if the group is not required by law to prepare consolidated financial statements, an equivalent statement available to the group;
- 2) information on the group's production, employment, profitability and cost structure prospects and an estimate of likely changes in the number of employees and in the skills or competence requirements of employees by category of personnel;
- 3) information on the decisions considered by the management of the group of undertakings concerning the substantial expansion, reduction or closure of the activities of the group undertaking; and
- 4) information on planned decisions taken by the management of the group of undertakings which, affecting the position of employees, will substantially change the product range, service activities or other similar activities of the undertaking belonging to the group of undertakings.

In addition to the information contained in the consolidated financial statements or equivalent, only the information referred to in paragraph 1(2) that is of material importance to the position of the employees of the group of undertakings working in Finland shall be disclosed in respect of an undertaking belonging to the group that operates outside Finland.

12 §

Cooperation procedure

A person who is a member of the management of the group of undertakings or of an undertaking referred to in section 7(3), or a person appointed by the management who is familiar with the matters to be communicated, shall provide the information referred to in section 11(1) in such a way that, when matters are discussed, interaction between the management of the group of undertakings or of an undertaking consisting of independent operating units and the representatives of the employees, as well as between the representatives of the employees, can take place.

Information on the matters referred to in Article 11(1)(3) and (4) shall be given to the representatives of the employees concerned. This information shall be provided in such a way as to enable the undertaking or activity unit concerned to carry out the collective procedures and consultations referred to in Chapters 6 to 8 of the Act on Collective Bargaining in Undertakings.

Chapter 3

Co-operation in a Community-scale group and enterprise

13 §

Community-wide group of companies and enterprise

The provisions of this chapter apply to private or public groups of undertakings carrying out economic activities and to undertakings with a total of at least 1 000 employees in the European Economic Area when:

- 1) at least 150 employees in each of at least two undertakings in the Community-scale group of undertakings located in at least two Member States of the European Economic Area; or
- 2) a Community-scale undertaking has at least 150 employees in at least two Member States of the European Economic Area.

13 a § [\(10.6.2011/620\)](#)

A supranational issue

A *supranational case* is a case which concerns a Community-scale group of undertakings or Community-scale undertaking as a whole, or at least two undertakings in a group of undertakings or operating units of a Community-scale undertaking situated in different Member States of the European Economic Area, and a case which, irrespective of the number of Member States, has a significant impact on the status of employees or involves transfers of activities between Member States.

13 b § [\(10.6.2011/620\)](#)

Employees' right to information and consultation

In a Community-scale group or undertaking, employees must be informed and consulted on the transnational issue at the appropriate level of management and representation.

13 c § [\(10.6.2011/620\)](#)

Information and consultation

The information must be provided in such a way, in terms of timing, method and content, as to provide employees' representatives with the information necessary for the examination of the case and to enable employees' representatives to familiarise themselves sufficiently with the case and to prepare for consultation with the competent body of the Community-scale undertaking or Community-scale group of undertakings.

Consultation must take place through a dialogue between workers' representatives and central management or other appropriate levels of management. The timing, manner and content of the consultation shall be such as to enable the employees' representatives, without prejudice to the responsibility of management, to give an opinion on the proposed measures subject to consultation on the basis of the information received, which may be taken into account in deciding on the matter within the Community-scale undertaking or Community-scale group of undertakings.

14 §

Derogations from the EC Merger Regulation

An undertaking within the meaning of Article 3(5)(a) and (c) of Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings is not considered to be a controlling undertaking.

15 §

Impact of the liquidation procedure on control

An administrator, liquidator or liquidator who carries out his or her duties under the Bankruptcy Act ([120/2004](#)), the Act on the Reorganisation of Undertakings ([47/1993](#)), the Limited Liability Companies Act ([624/2006](#)) or similar legislation is not deemed, on this ground alone, to exercise control within the meaning of section 4.

16 §

Power of attorney and choice of law

The applicable law for determining the controlling undertaking is the law of the Member State of the European Economic Area applicable to each undertaking in the group. However, if the undertaking is not governed by the law of a Member State, the law applicable to the determination of control shall be the law of the Member State in which the designated representative of the undertaking or, in the absence of such a representative, the undertaking with the largest number of employees in the group of undertakings is situated.

17 §

Central administration

*The obligations set out in this chapter apply to an undertaking registered in Finland or a Community-scale undertaking registered in Finland (*central administration*) that controls a Community-scale group of undertakings.*

If the central administration of a Community-scale group of undertakings or Community-scale undertaking is located outside the European Economic Area, the obligations provided for in this Chapter shall apply to the undertaking controlled by the Community-scale group of undertakings or the operating unit of the Community-scale undertaking located in Finland, if the central administration of the group of undertakings or Community-scale undertaking has so indicated.

If the central administration of a Community-scale group of undertakings or Community-scale undertaking located outside the EEA has not indicated which of the undertakings or operating units controlled by it in the EEA is responsible for the obligations laid down in this Chapter, the Finnish controlled undertaking or operating unit shall be responsible for them if it is the largest of the undertakings or operating units controlled by the Community-scale group of undertakings or undertaking in the EEA in terms of number of employees.

18 § ([10.6.2011/620](#))

Preparatory measures

The central management of a Community-scale group of undertakings or an undertaking within the meaning of Article 17 must, together with the employees' representatives, take the initiative to set up a European Works Council or to introduce a similar information and consultation procedure.

The central administration of a Community-scale group of undertakings or an undertaking referred to in § 17 and the management of an undertaking of a Community-scale group of undertakings and of the operating unit of a Community-scale undertaking located in Finland shall be obliged to ensure that the parties preparing the introduction of the information and consultation procedure have access to the information necessary for the opening of the negotiations referred to in § 22. This includes, in particular, information relating to the structure and workforce of the Community-scale group or undertaking and the number of employees within the meaning of Article 13.

19 §

Establishment of an employee negotiating body

Employees must choose a negotiating team:

- 1) when the central administration of a Community-scale group of undertakings or an undertaking referred to in Article 17 proposes negotiations on the establishment of a European Works Council or the introduction of a similar information and consultation procedure; or
- 2) when a total of at least 100 employees or their representatives from at least two undertakings or operational units located in at least two Member States of the European Economic Area request the opening of such negotiations.

20 § (10.6.2011/620)

Composition and experts of the negotiating team

The members of the employees' negotiating body shall be chosen in proportion to the number of employees employed in each Member State in a Community-scale undertaking or Community-scale group of undertakings, one representative per Member State for each number of employees employed in that Member State corresponding to the first 10% of the number of employees employed in all the Member States.

The negotiating body shall inform the central management of the Community-scale group or undertaking, the management of the undertakings controlled by the Community-scale group or the operating units of the Community-scale undertaking and the competent European-level trade unions and employers' organisations of its composition.

The negotiating body may request the assistance of experts of its choice, which may include representatives of the competent European-level trade union organisations. Such experts and representatives of trade unions may, at the request of the negotiating body, participate in negotiating meetings in an advisory capacity.

21 §

Membership and election of members of the negotiating group

The employees' negotiating body shall have a minimum of three and a maximum of 18 members, unless the application of Article 20, first sentence, results in a higher number of members.

The employees of a Community-scale group of undertakings or of undertakings or units of an undertaking located in Finland elect their representatives to the negotiating body by agreement or by election. If the employees do not agree on a procedure for the election of their representatives, the two largest groups of employees in the undertakings or establishments must jointly organise an election or

other selection procedure for the members of the negotiating body. All employees in the undertaking or establishment have the right to participate in the election of the health and safety representatives.

Representatives of employees of a Community-scale group of undertakings or of undertakings or operational units of an undertaking in other Member States of the European Economic Area are elected in accordance with the national law or practice of each country.

The composition of the employees' negotiating body must be notified both to the central management of the Community-scale group or undertaking and to the management of the undertakings controlled by the group or the operating units of the Community-scale undertaking.

22 §

Negotiations on the organisation of cooperation

The central management and the employees' negotiating body should negotiate in a spirit of cooperation with a view to reaching an agreement on a European Works Council or an equivalent information and consultation procedure.

The central management shall convene a meeting of the Employees' Negotiating Committee to start the contract negotiations referred to in paragraph 1. The central management shall inform the management of the other undertakings in the Community-scale group or the management of the operating units of the Community-scale undertaking of the invitation to negotiate.

The central administration must also inform the competent European-level workers' and employers' organisations of the invitation to negotiate. ([10.6.2011/620](#))

The negotiating team shall have the right to meet by any means of communication before and after meetings with the central administration, without the presence of representatives of the central administration. ([10.6.2011/620](#))

23 §

Responsibility for the costs of the negotiating team

The central administration shall be responsible for the selection of the members of the Employees' Negotiating Body, for the conduct of the negotiations of agreements by the Negotiating Body referred to in Article 22 and for the reasonable costs of the experts used by the Negotiating Body in these negotiations.

24 §

The negotiating team abstains from contract negotiations

The employees' negotiating body may, by a majority of at least two-thirds, decide not to open negotiations within the meaning of Article 22 or to suspend negotiations already opened. The employee negotiating body may be convened to resume negotiations at the earliest two years after the decision, unless a shorter period is agreed or agreed between the central management and the negotiating body.

If the employees' negotiating body has decided not to negotiate in accordance with paragraph 1, the secondary provisions on collective bargaining in Articles 27 to 37 shall not apply in a Community-scale group or undertaking.

25 §

Decision on the cooperation agreement by the negotiating group

The negotiating body may conclude an agreement with the central administration on one or more European Works Councils or on one or more other information and consultation procedures if more than half of the members of the negotiating body are in favour.

26 §

Agreement on a European Works Council or other information and consultation procedure

The written agreement on the European Works Council shall, unless otherwise agreed, provide for:

- 1) the undertakings or operational units covered by the agreement;
- 2) the composition of the works council, the number of members and the distribution of seats, taking into account, as far as possible, a balanced representation of employees across functions, categories of employees and genders, and the length of the term of office of the works council;
- 3) the tasks of the Works Council and the information and consultation procedure and its relationship with the corresponding procedure at national level;
- 4) the place or places where the works council meets, the frequency of meetings and the duration of the meetings;
- 5) the composition, appointment, tasks and rules of procedure of the Works Council Bureau;
- 6) the financial and other material resources to be allocated to the works council; and
- 7) the date of entry into force and duration of the agreement, the procedure for amending, terminating and renegotiating the agreement, and the procedure in the event of a change in the structure of a Community-scale undertaking or group of undertakings.

(10.6.2011/620)

Instead of setting up a European Works Council, the central management and the employees' negotiating body may agree in writing on one or more information and consultation procedures. The agreement shall specify the matters on which the employees' representatives have the right to be informed and consulted. These include, in particular, transnational issues concerning a Community-scale group or undertaking which have a significant impact on the position of employees. The agreement must also lay down the arrangements under which the employees' representatives have the right to meet to discuss the information they receive.

An agreement on a European Works Council or any other information and consultation procedure shall, subject to the agreement, override the secondary provisions on cooperation within a Community-scale group of undertakings and Community-scale undertaking referred to in Articles 27 to 38.

(10.6.2011/620)

26 a § (10.6.2011/620)

Relationship of the information and consultation procedure with other collective bargaining legislation

In the absence of the agreed procedures referred to in Article 26(1)(3), information and consultation must be carried out both within the European Works Council and in the procedure provided for in the

Act on Collective Bargaining in Enterprises when decisions are envisaged which may lead to significant changes in work organisation or contractual relations.

26 b § [\(10.6.2011/620\)](#)

Adapting the information and consultation procedure

In the event of a substantial change in the structure of a Community-scale undertaking or group of undertakings, where there are no contractual provisions or where the relevant contractual provisions are contradictory, the central administration shall initiate the negotiations referred to in Article 22 on its own initiative or at the written request of at least two undertakings or units of undertakings or establishments situated in different Member States, or at least 100 employees or their representatives.

In the negotiations referred to in paragraph 1, at least three members of each European Works Council shall be members of the employees' negotiating body in addition to the members elected in accordance with Article 20.

The European Works Councils shall continue their activities during the negotiations referred to in paragraph 1 in accordance with the arrangements which may have been adapted by agreement between the members of the European Works Council or the Works Councils and the central administration.

27 §

Secondary provisions on cooperation within a Community-scale group of undertakings and an undertaking

In the case of a Community-scale group or undertaking, the provisions of Articles 28 to 38 on the European Works Council shall apply:

- 1) when agreed between the central management and the employees' negotiating body;
- 2) unless the central administration has initiated negotiations with the employees' negotiating body within six months of the request for negotiations referred to in Article 19(2) by the employees or their representatives; or
- 3) unless the central administration and the employees' negotiating body have not reached an agreement on the cooperation referred to in this Chapter within three years of the dates referred to in section 19, except where this is due to a decision by the employees' negotiating body referred to in section 24 not to negotiate an agreement.

[\(10.6.2011/620\)](#)

Where a Community-scale group of undertakings includes several controlling undertakings, the European Works Council shall be established only at the level of the undertaking exercising the greatest control, subject to the agreement referred to in Article 26.

28 § [\(10.6.2011/620\)](#)

Composition of the European Works Council

The members of the European Works Council shall be elected in proportion to the number of employees employed in each Member State in a Community-scale undertaking or Community-scale group of undertakings, with one representative per Member State for each number of employees employed in

that Member State corresponding to the first 10% of the number of employees employed in all Member States.

29 §

Election of members of the European Works Council

The employees of a Community-scale group of undertakings or of the undertakings or units of an undertaking located in Finland shall elect from among their number the members of the European Works Council who shall represent them by agreement or by election. If the employees do not agree on a procedure for the election of their representatives, the two largest groups of employees in the undertakings or establishments must jointly organise an election or other selection procedure for the members of the Works Council. All employees of the undertaking or establishment have the right to participate in the election of the EWC members organised by the EWC representatives.

Representatives of employees of a Community-scale group of undertakings or of undertakings or operational units of an undertaking in other Member States of the European Economic Area are elected in accordance with the national law or practice of each country.

30 §

Notice on the composition of the European Works Council

The Works Council shall inform the central management of the Community-scale group or undertaking or any other appropriate management of the group or undertaking designated by it of its composition and any changes thereto.

31 §

Rules of Procedure and Bureau of the European Works Council

The Works Council adopts its own rules of procedure.

The Works Council shall elect a Bureau of up to five members, which shall adopt its rules of procedure and be able to act regularly ([10.6.2011/620](#)).

32 §

Right to information and to be heard

The European Works Council and its Bureau shall have the right to be informed and consulted on matters concerning a Community-scale group of undertakings or Community-scale undertaking as a whole, or at least two undertakings in a group of undertakings or a Community-scale undertaking with operating units in different Member States of the European Economic Area. Similarly, in the case of Community-scale groups of undertakings and Community-scale undertakings referred to in Article 17(2) and (3), only matters concerning all undertakings or operating units within the European Economic Area or at least two undertakings or operating units in different Member States of the European Economic Area shall be heard.

33 §

Regular meetings and the business to be discussed

The European Works Council has the right to meet at least once a year with representatives of the Finnish central administration of a Community-scale group or undertaking in order to be informed and consulted on the group's or undertaking's business and future prospects. Prior to the meeting, the central management shall provide a written report on the matters to be discussed at the meeting.

The central management must inform the management of the Community-scale group of undertakings or other undertakings or operational units of the undertaking of the meeting.

The European Works Council shall be informed in particular about the structure of the Community-scale undertaking or group of undertakings, its economic and financial situation and the prospects for its activities, production and sales. [\(10.6.2011/620\)](#)

The information and consultation of the European Works Council concerns in particular the labour situation and its prospects, investments, major organisational changes, the introduction of new working and production methods, transfers of production, mergers, downsizing or closure of undertakings, units or significant parts of undertakings, and, in accordance with the national law of the Member State in which each undertaking in a Community-scale group of undertakings or each operating unit of an undertaking is situated, redundancies within the meaning of Council Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies. [\(10.6.2011/620\)](#)

Consultation must be carried out in such a way that workers' representatives can meet with the central management and receive a reasoned response to any comments they make. [\(10.6.2011/620\)](#)

Before the regular meeting, the members of the European Works Council have the right to meet among themselves.

[34 §](#)

Extraordinary meetings in exceptional circumstances

The central management shall submit to the Bureau, in a timely manner for an exchange of views, an explanation of any exceptional circumstances or decisions which have a significant impact on the position of employees. Such circumstances include, in particular, relocation, the closure of an undertaking or unit and dismissals within the meaning of Article 33(4). [\(10.6.2011/620\)](#)

At the request of the Bureau, the central management or other management with decision-making powers in the matters under discussion shall organise a meeting at which it shall inform and exchange views with the Bureau on the matters referred to in paragraph 1. Members of the European Works Council who are not members of the Bureau but whose employees are directly concerned by the matters referred to in paragraph 1 shall also be entitled to attend the meeting.

An extraordinary meeting must be held as soon as possible after the report is issued. For the meeting, the management of the Community-scale group or undertaking referred to in paragraph 2 shall draw up a report on which the Bureau may deliver an opinion at the end of the meeting or within a reasonable time after the end of the meeting.

The Bureau, supplemented, where appropriate, as referred to in paragraph 2, shall be entitled to meet without the presence of the management of the Community-scale group or undertaking.

The above provisions concerning the Bureau shall apply to the European Works Council if it has not elected a Bureau from among its members.

Article 43 shall apply to the obligation of confidentiality of employees in the situations referred to in paragraph 1. [\(10.6.2011/620\)](#)

[35 §](#)

Right to use experts

The European Works Council and its Bureau shall have the right, to the extent necessary, to use experts of their choice in preparing the meetings referred to in Articles 33 and 34.

36 § (10.6.2011/620)

Information obligations of the Works Council and its Bureau members

Section 40a applies to the duty of information of the members of the works council and its bureau.

37 §

Responsibility for the costs of cooperation

The central administration shall bear the costs of the functioning of the European Works Council and its Bureau, including at least the costs of organising and interpreting meetings and the travel and accommodation expenses of the members of the European Works Council and the Bureau, unless otherwise agreed.

The central administration shall provide the members of the European Works Council and its Bureau with the financial and other material resources necessary for the proper performance of their duties.

The central administration shall bear the travel and accommodation expenses of one expert used by the European Works Council and its Bureau in the cases referred to in Articles 33 and 34, unless otherwise agreed.

38 §

European Works Council assessment of the agreement negotiations

No later than four years after its establishment, the Enterprise Council shall assess whether negotiations should be opened with the central administration on the agreement referred to in Article 26.

If the works council decides by a simple majority to propose negotiations to the central management, the works council will negotiate instead of the employees' negotiating body. In other respects, the provisions of Articles 22 to 26 shall apply *mutatis mutandis*.

39 §

Impact of the reduction in the number of employees

Even if the number of employees in a Community-scale group or undertaking falls below the number provided for in section 13, an agreement on a European Works Council or other information and consultation procedure as referred to in section 26 concluded in Finland shall continue to apply for six months after the number of employees in the group or undertaking no longer reaches the number provided for in section 13, unless the agreement provides otherwise.

Similarly, the employees' negotiating body referred to in Article 19 and the European Works Council referred to in Article 28 shall retain their status and functions for six months after the number of employees in the group of undertakings or undertaking has fallen below the number of employees provided for in Article 13.

Chapter 4

Miscellaneous provisions

40 § ([10.6.2011/620](#))

Rights of workers' representatives

The members of the European Works Council must have the necessary means to exercise their rights under this law so that they can jointly represent the interests of the employees of a Community-scale undertaking or group of undertakings. The members of the employees' negotiating body and of the European Works Council shall be given the necessary training to enable them to carry out their representative function in an international environment.

Employees' representatives within the meaning of this Act shall be entitled to adequate time off from work for the performance of their duties and for training. The employer shall compensate them for any loss of earnings resulting therefrom. Any other time off work and compensation for loss of earnings shall be agreed in each case between the employee representative concerned and the employer.

If a workers' representative participates in a collective procedure under this Act outside working hours or performs another task agreed with the employer, the employer must pay him/her compensation for the time spent on the task, which corresponds to the representative's regular working hours.

40 a § ([10.6.2011/620](#))

Information obligation for employees' representatives

The employees' representatives shall inform the other representatives of the employees of the Community-scale group of undertakings or undertaking or, if no representatives have been elected, the employees directly, of the content and results of the information and consultation referred to in Chapter 3, subject to the obligation of confidentiality referred to in Section 43.

41 § ([16.6.2017/391](#))

Protection of workers' representatives against dismissal

The protection against dismissal of employee representatives referred to in this Act is governed by [Chapter 7, Section 10 of the Employment Contracts Act \(55/2001\)](#) on the protection against dismissal of shop stewards and shop stewards' representatives and [Chapter 8, Section 9 of the Maritime Labour Contracts Act \(756/2011\)](#) on the protection against dismissal of shop stewards.

The protection against dismissal of an employee representative elected in another Member State of the European Economic Area is governed by the national law of that State.

[42 §](#)

Contract law

Notwithstanding the foregoing, the management of a Finnish group of undertakings or undertaking referred to in § 7 and the employees' representatives referred to in § 8 or 10, and the central management of a group of undertakings or undertaking referred to in § 13 and the Finnish employees' representatives of that undertaking referred to in § 17 may jointly agree in writing to combine the content and procedure of the national and Community-wide collective agreement procedure.

[43 §](#)

Confidentiality

An employee who is a member of an employees' negotiating body referred to in section 8 or 20 and an employee representative participating in the collective agreement procedure, as well as an expert

assisting the employee representatives as referred to in this Act, shall keep confidential the information obtained in the course of the collective agreement procedure:

- 1) information on the trade secrets of the group or company; [\(10.8.2018/612\)](#)
- 2) information concerning the financial condition of the group or undertaking which is not public under other legislation and the disclosure of which would be likely to prejudice the group or undertaking or any of its business or contractual partners; and
- 3) information concerning the group's or undertaking's corporate security and equivalent security arrangements, the disclosure of which would be likely to damage the group or undertaking or its business and contractual partners.

Paragraph 1 shall not prevent a person bound by professional secrecy, after having been informed of the obligation of professional secrecy, from disclosing confidential information to other employees or to employees' representatives or experts assisting them within the meaning of that paragraph, where this is necessary for the performance of their duties of cooperation.

The obligation of confidentiality is subject to the following conditions:

- 1) the management of the group or undertaking has indicated to the persons subject to the obligation of professional secrecy referred to in paragraph 1 which information is covered by the obligation of professional secrecy; [\(10.8.2018/612\)](#)
- 2) the management of the group or undertaking has informed the persons subject to the obligation of professional secrecy referred to in paragraph 1 that the information referred to in paragraphs 1(2) and (3) is confidential; and
- 3) the person bound by professional secrecy referred to in paragraph 1 has informed the employees or employees' representatives or experts assisting them referred to in paragraph 2 of the obligation of professional secrecy.

The obligation of professional secrecy shall continue throughout the period of employment of an employee referred to in paragraph 1 and of his representative, and that of an expert after the termination of the expert's duties.

44 §

Exceptions to the obligation to provide information

Group management and central administration are not obliged to provide employees and their representatives with information the disclosure of which would, in an objective assessment, cause significant harm or damage to the Group, the company or its activities.

45 §

Information obligation of the undertaking exercising control

An undertaking controlling a group of undertakings or an undertaking referred to in Section 7(3) or Section 13: where a Community-scale undertaking within the meaning of Article 7(2) is preparing economic or production decisions which are likely to lead to a reduction in the workforce within the meaning of the Council Directive on the approximation of the laws of the Member States relating to collective redundancies in an undertaking or activity unit which it controls, it must provide the undertaking or activity unit which it controls with adequate information on the solutions being

prepared and on the alternatives thereto, so that the latter undertaking or activity unit can properly fulfil its obligation to cooperate.

46 §

Penal provisions

Any representative of a central government, a controlled undertaking or an undertaking referred to in Article 2(2) or a functional unit of such an undertaking who, intentionally or negligently, fails to comply with or contravenes the provisions of Articles 11, 12 or 13c, Article 18(2), Article 22: or Articles 32 to 35, 39, 40 or 47, with the exception of Article 40 concerning the employer's obligation to pay, or substantially fails to comply with the provisions of an agreement within the meaning of Article 8 or 26, shall be punishable by a fine. [\(10.6.2011/620\)](#)

The punishment for violating the rights of a representative of a collective bargaining body referred to in section 41 is provided for [in Chapter 47 section 4 of the Penal Code \(39/1889\)](#), and the punishment for preventing employees from electing their representatives to the negotiating or collective bargaining bodies referred to in this Act is provided for [Penal Code 47 section 5 of the in.](#)

The penalty for breach of the obligation of secrecy provided for in section 43 shall be imposed in accordance with [rikoslain 38 Chapter Section 2, subsection 2 of the Penal Code 38 Chapter Section 2,](#) unless a more severe penalty is provided for the offence elsewhere than [Penal Code 38 Chapter Section 1 of the in.](#)

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47 §

For viewing

Employers must make this law freely available to employees at the workplace.

48 § ([30.3.2010/219](#))

Monitoring

The enforcement and application of this Act is governed by the Act on the Cooperation Ombudsman ([216/2010](#)). The law is also enforced by the employers', employees' and staff associations whose national collective agreements must be complied with in the employment relations of the undertaking under the Collective Agreements Act ([436/1946](#)).

Chapter 5

Entry into force and transitional provisions

49 §

Entry into force

This Act shall enter into force on 1 July 2007.

Where other legislation refers to the provisions on national or international group cooperation of the Act on Cooperation in Enterprises ([725/1978](#)) in force at the time of the entry into force of this Act, this Act shall apply instead.

50 §

Transitional provision

The provisions of this Act shall not apply to those undertakings and groups of undertakings referred to in this Act which have an agreement on national or international group cooperation within the meaning of the Act on cooperation in undertakings in force when this Act entered into force or an agreement on cross-border interaction between management and staff of the group concluded before 22 September 1996 for all staff. Unless otherwise agreed, the period of notice for the latter agreement shall be six months, after which the obligations laid down in this Act shall apply.

[HE 254/2006](#), TyVM 15/2006, EV 286/2006, Council Directive 94/45/EC ; OJ No L 254, 30.9.1994 p. 64, Council Directive 97/81/EC ; OJ No L 14, 20.1.1998 p. 9, Council Directive 1999/70/EC ; OJ No L 175, 10.7.1999 p. 43

Entry into force and application of the amending acts:

30.3.2010/219:

This Act shall enter into force on 1 July 2010.

[HE 177/2009](#), TyVM 1/2010, EV 5/2010

10.6.2011/620:

This Act shall enter into force on 15 June 2011.

This Act shall not apply to Section 26b: shall not apply to Community-scale undertakings and Community-scale groups of undertakings, which are subject to the provisions of Article 13(1) of Council Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, or of Article 13(1) of Council Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees one or more agreements on informing and consulting employees concluded at transnational level in accordance with Article 3(1) of Council Directive 94/45/EC extending to the United Kingdom Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings or Community-scale groups of undertakings, or where such agreements are revised as a result of changes in the structure of the undertaking or group of undertakings.

For Community-scale undertakings and Community-scale groups of undertakings which, between 5 June 2009 and 5 June 2011, have signed an agreement or revised an earlier agreement in accordance with Article 6 of Council Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, the provisions in force at the entry into force of this Act and Article 26b of this Act shall apply.

Upon expiry of the agreement referred to in paragraphs 2 and 3, the parties may agree to extend the agreement as it stands or as amended. In that case, the provisions of paragraphs 2 or 3 shall continue to apply. Unless otherwise agreed, the contract referred to in paragraph 2 may be terminated six months after the date of termination.

[HE 1/2011](#), TyVM 1/2011, EV 1/2011, Directive 2009/38/EC of the European Parliament and of the Council; No L 122, 6.5.2009, p. 28

16.6.2017/391:

This Act shall enter into force on 1 October 2017.

[HE 35/2017](#), TyVM 5/2017, EV 43/2017, Directive (EU) 2015/1794 of the European Parliament and of the Council (32015L1794); OJ L 263, 8.10.2015, p. 1

10.8.2018/612:

This Act shall enter into force on 15 August 2018.

[HE 49/2018](#), TaVM 11/2018, EV 70/2018, Directive 2016/943/EU of the European Parliament and of the Council (32016L0943); OJ L 157, 15.6.2016, p. 1